

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

Litchfield Financial Corp., et al.	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Civ. Action 04-30076-MAP
	)	
Buyers Source Real Estate Group,	)	
et al.,	)	
	)	
Defendants.	)	
_____	)	

**PROPOSED AMENDED JOINT REPORT FOR SCHEDULING CONFERENCE**

On December 16, 2005, the Court granted an Order rescheduling the Scheduling Conference to February 14, 2006 at 10:00 a.m. and required that the parties submit a Report by February 7, 2006. The day after the Joint Report was filed on February 7, Defendant Ronald Ferguson sent some requested changes to paragraphs 3, 4, and 5. This Proposed Amended Joint Report incorporates Mr. Ferguson's changes as separate paragraphs within paragraphs 3, 4, and 5, and includes Plaintiffs' response to Mr. Ferguson's new text.

1. As this Court is aware, a Stay Order entered by the U.S. District Court for the Eastern District of Virginia (Norfolk Division) prevents Plaintiffs Litchfield Financial Corporation, Land Finance Company, and Textron Financial Corporation from prosecuting this action against the following 10 defendants: Messrs. Brewer, Blake, Montgomery, Campbell, Mses. Brewer, Gard, and the four Buyers Source entities. In addition, Plaintiffs voluntarily dismissed their claims against one defendant (Mr. Stallings) pursuant to Rule 41(a). This Court granted one defendant's (Mr. Seigler's) motion to dismiss. *See* Order, Sept. 8, 2005.

2. The following Defendants are not protected by the Stay Order: Mr. Ronald P. Ferguson and the five attorney defendants (Messrs. Lumpkin and Hudgins, and their associated law firms,

Stephen A. Hudgins, P.C., Hudgins & Stallings, PC, and John C. Lumpkin, PC). The five attorney defendants are represented by counsel; Mr. Ferguson is appearing pro se.

3. Plaintiffs are willing to continue settlement efforts with the remaining defendants. Mr. Ferguson has requested that the Plaintiffs consider some additional information that he believes may exonerate him; Plaintiffs are willing to review the information once Mr. Ferguson has provided it. Plaintiffs have made a proposal for settlement discussions with the five attorney defendants. Defendants Lumpkin and Hudgins are willing to continue settlement efforts with the Plaintiffs.

Defendant Ronald P. Ferguson expected to be dismissed from the lawsuit by this time in the proceedings. Mr. Ferguson will file a motion to dismiss and a motion for judgment on the pleadings asking for dismissal for lack of jurisdiction over the person, insufficiency of service of process, and for failure to state a claim upon which relief can be granted. The motions will be filed within the next 60 days. Mr. Ferguson is also contemplating filing a motion under Rule 11(b) for a frivolous lawsuit against him. Plaintiffs believe all such motions are unfounded. In addition, any motion by Mr. Ferguson raising Rule 12(b)(2) and 12(b)(5) defenses have been waived pursuant to Rule 12(h)(1).

4. Plaintiffs believe that discovery as to the remaining defendants would not require a prolonged effort. Plaintiffs' view is that a six month fact discovery period would appear to be appropriate. Plaintiffs are willing to delay discovery as to any defendant that wishes to undertake settlement discussions. Defendant Lumpkin and Hudgins believe that discovery might take six to nine months.

Defendant Ronald P. Ferguson has no position on the length of discovery.

5. If discovery commences, Plaintiffs recommend that a further scheduling conference be set for five months from the date of the initial Scheduling Order issued by this Court at which time the parties and the Court could determine a schedule for any summary judgment motions and a trial date. Defendants Lumpkin and Hudgins request that the Court either (i) postpone the scheduling conference currently set for February 14 for a four-month period while the parties continue efforts concerning settlement or (ii) that the Court permit the defense counsel to participate by phone during the conference scheduled for February 14. Plaintiffs are not opposed to either of the Defendants proposals. Mr. Ferguson has also asked to be permitted to participate by phone if possible.

Defendant Ronald P. Ferguson has no position on a further scheduling conference because he should be dismissed from the proceedings for the reasons stated in paragraph 3.

6. This Report reflects information obtained during discussions and communications by Plaintiffs' counsel with Mr. Ferguson.

Dated: February 9, 2006

Respectfully submitted  
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Litchfield Financial Corp., et al.,

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CERTIFICATE OF SERVICE

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on February 9, 2006.

/s/ Jeffrey L. McCormick